

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Own Motion to Determine  
Whether Baseline Allowances for Residential  
Usage of Gas and Electricity Should Be Revised.

Rulemaking 01-05-047  
(Filed May 24, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING  
SETTING ASIDE SUBMISSION AND  
REQUIRING ADDITIONAL INFORMATION**

On April 23, 2003, Southern California Edison Company (SCE) filed a motion in Application (A.) 03-01-019 requesting Commission approval of a Settlement Agreement submitted with that motion. The Settlement Agreement would resolve issues raised by A.03-01-019, in which SCE proposed a mechanism for the determination that its Procurement Related Obligations Account (PROACT) balance has been recovered, a new revenue requirement, and a new rate design. It would also resolve disputes in Phase 2 of this proceeding, Rulemaking (R.) 01-05-047, regarding the current undercollected balance in SCE's Baseline Balancing Account (BBA).

Upon review of the Settlement Agreement, I find that submission of the Phase 2 record in R.01-05-047 should be set aside and the Phase 2 proceeding should be reopened to allow receipt of information regarding the impact of the Settlement Agreement, if approved by the Commission, on issues pending in Phase 2.

SCE is directed to file the A.03-01-019 Settlement Agreement, including related attachments, in this proceeding with service on all parties no later than May 6, 2003. While documents must be filed with the Docket Office in paper form, the Settlement Agreement may be served in electronic form, pursuant to Rule 2.3(b) of the Commission's Rules of Practice and Procedure. Paper format copies shall be served on the Assigned Commissioner, the assigned Administrative Law Judge (ALJ), anyone on the Appearances and State Service portions of the service list who does not have a valid e-mail address, and any other party who requests paper format service. SCE shall e-mail courtesy copies to the entire service list, including those appearing on the list as "Information Only."

SCE shall and other parties may file supplemental briefs no later than May 13, 2003 addressing the following issues:

1. Whether the reasonableness of the portion of the Settlement Agreement related to SCE's BBA should be reviewed in this proceeding or in A.03-01-019.
2. How the Settlement Agreement allocates SCE's BBA undercollection among customer groups and in rates.
3. How the amortization of SCE's BBA would be removed from rates at the end of the amortization period if the Settlement Agreement is approved.
4. How the BBA undercollection for SCE that may occur if the Commission approves proposals pending in Phase 2 of this proceeding should be handled, e.g., whether the new undercollection should be allocated and recovered consistent with the party's position taken in this proceeding or consistent with the treatment in the Settlement Agreement.
5. Whether the party's positions already taken in this proceeding regarding Phase 2 proposals related to current SCE rates and

- surcharges would apply equally to the new rates that would be implemented pursuant to the Settlement Agreement, e.g., whether Phase 2 proposals regarding exemption from SCE's Tier 3 surcharges would also apply to the Settlement Agreement's proposed rates for usage between 131 and 200 percent of baseline.
6. How the Settlement Agreement's proposed rates would affect customer savings and revenue impacts of Phase 2 proposals. If a party proposes to update evidence in this proceeding, proposed late-filed exhibits containing the updated information should be attached to the supplemental brief.
  7. Any other information related to the Settlement Agreement that would be useful to the Commission in considering Phase 2 issues.

Parties may file supplemental reply briefs no later than May 20, 2003. Parties should indicate in the supplemental reply briefs if they object to the receipt of any proposed late-filed exhibits that were attached to supplemental briefs and, if so, on what basis. Parties should limit their supplement briefs and supplemental reply briefs to issues related to the Settlement Agreement, and should not re-argue positions already taken in Phase 2.

**IT IS RULED** that:

1. The submission of the Phase 2 record in Rulemaking (R.) 01-05-047 is set aside and the Phase 2 proceeding is reopened to allow receipt of information regarding the impact of the Settlement Agreement filed in Application 03-01-019 on April 23, 2003, if approved by the Commission, on issues pending in Phase 2.
2. No later than May 6, 2003, Southern California Edison Company (SCE) shall file in R.01-05-047 the Settlement Agreement, including related attachments, with service on all parties as set forth herein.
3. SCE shall and other parties may file supplemental briefs no later than May 13, 2003 addressing the issues enumerated in this ruling. If a party proposes to update evidence submitted in Phase 2, the party shall attach to the

supplemental brief proposed late-filed exhibits containing the updated information.

4. Supplemental reply briefs may be filed no later than May 20, 2003. Parties shall indicate in their supplemental reply briefs if they object to the receipt of any proposed late-filed exhibits that were attached to supplemental briefs and, if so, on what basis.

Dated May 2, 2003, at San Francisco, California.

/s/ CHARLOTTE F. TERKEURST

Charlotte F. TerKeurst  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have by mail, and by electronic mail, to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling Setting Aside Submission and Requiring Additional Information on all parties of record in this proceeding or their attorneys of record.

Dated May 2, 2003, at San Francisco, California.

/s/ KE HUANG

Ke Huang

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.